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江西銅業股份有限公司
JIANGXI COPPER COMPANY LIMITED

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 0358)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

IMPORTANT NOTICE

1.1 The board of directors (the "**Board**") and the supervisory committee (the "**Supervisory Committee**") of Jiangxi Copper Company Limited (the "**Company**") and its directors (the "**Directors**"), supervisors (the "**Supervisors**") and senior management warrant the truthfulness, accuracy and completeness of the information contained in this announcement and there are no false representations, misleading statements contained herein or material omissions from this announcement, and jointly and severally accept full responsibility.

1.2 Except for Mr. Long Ziping, the chairman, did not attend the meeting due to business commitments and appointed Mr. Zheng Gaoqing, a Director, to exercise his Director voting right by writing, all Directors of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2018.

1.3 The consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2018 (the "**Reporting Period**") prepared in accordance with PRC Accounting Standards for Business Enterprises ("**PRC GAAP**") and International Financial Reporting Standards ("**IFRSs**") have been audited by Ernst & Young Hua Ming Certified Public Accountants LLP (domestic auditor) and Ernst & Young (overseas auditor) respectively with standard unqualified audit report issued.

1.4 The person in charge of the Company, Mr. Long Ziping, the person in charge of accounting, Mr. Yu Tong, and Manager of Finance Department (accounting chief), Mr. Ai Fuhua, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.

1.5 The Board has recommended distributing to all shareholders of the Company ("**Shareholders**") a final dividend of RMB0.20 per share (inclusive of tax) for 2018. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.

1.6 The audit committee of the Company has reviewed the financial report for the year ended 31 December 2018.

1.7 This announcement contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.

1.8 There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose in the Group.

1.9 There are no external guarantees made in violation of the required decision-making procedures in the Group.

2 CORPORATE INFORMATION

2.1 Corporate information

Name of the Company in Chinese	江西銅業股份有限公司
Chinese abbreviation	江西銅業
Name of the Company in English	Jiangxi Copper Company Limited
English abbreviation	JCCL
Legal representative	Long Ziping

2.2 Contact persons and contact methods

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Lu Gaoming
Address	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Chang Dong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710117	(86)791-82710112
Facsimile	(86)791-82710114	(86)791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

2.3 Basic information

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

2.4 Information disclosure and place of inspection

Media selected by the Company for information disclosure	Shanghai Securities News
Website designated by China Securities Regulatory Commission ("**CSRC**") for publishing the annual report	www.sse.com.cn
Place for inspection of annual report	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST TWO YEARS

3.1 Major accounting data (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Major accounting information	2018	2017 As original stated	2017 Restated	Increase/decrease for the period over the same period last year (%)
Revenue	**215,289,866,760**	205,046,854,771	205,054,238,934	4.99
Net profit attributable to shareholders of the Company	**2,447,475,745**	1,604,107,754	1,605,632,641	52.43
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	**1,362,784,022**	2,385,607,672	2,387,132,559	-42.91
Net cash flows from operating activities	**8,182,118,246**	3,259,243,125	3,284,013,341	128.19

	End of 2018	End of 2017 As original stated	End of 2017 Restated	Increase/decrease at the end of the period over the end of the same period last year (%)
Net assets attributable to shareholders of the Company	**49,766,311,772**	47,532,426,878	47,550,877,147	4.66
Total assets	**102,865,826,951**	97,468,655,222	97,469,815,440	5.54

3.2 Major financial indicators (prepared in accordance with PRC GAAP)

Currency: RMB

Major financial indicator	2018	2017 As original stated	2017 Restated	Increase/decrease for the period over the same period last year *(%)*
Basic earnings per share *(RMB/share)*	**0.71**	0.46	0.46	54.35
Diluted earnings per share *(RMB/share)*	**0.71**	0.46	0.46	54.35
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**0.39**	0.69	0.69	-28.99
Rate of return on net assets (weighted average) *(%)*	**5.03**	3.39	3.39	Increased by 1.63 percentage points
Rate of return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**2.85**	5.05	5.05	Decreased by 1.97 percentage points

Non-recurring profit and loss items and amount (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2018 amount	2017 amount *(Restated)*
Profit and loss from disposal of non-current asset	**-68,102,958**	-57,926,166
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	**154,467,076**	89,668,111

Non-recurring profit and loss items	**2018 amount**	2017 amount *(Restated)*
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	**-49.943**	-5,246,320
Profit and loss from changes in the fair value of financial assets and financial liabilities held for trading, and investment gains from disposal of financial assets and liabilities held for trading and available-for-sale financial assets except for effective hedging business related to normal operation of the Company	**1,335,306,682**	-744,055,340
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	**170,858,913**	
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	**-24,881**	-163,881,961
Income from trustee fee obtained from entrusted operation		
Other non-operating income and expenses other than the above	**28,052,070**	-29,251,066
Impact from interests of non-controlling shareholders	**-209,840,513**	26,149,604
Impact from income tax	**-351,867,710**	103,043,220
Total	**1,058,798,736**	-781,499,918

Items measured at fair value (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	**Closing balance**	Change during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	56,861,137	**163,814,459**	106,953,322	-501,777
2. Investment in held-for-trading debt instruments debt instruments	152,873,898	**109,286,621**	-43,587,277	126,456,626
Bond investment	2,856,762,320	**9,468,226,583**	6,611,464,263	143,309,970
3. Other equity instruments	1,425,234,108	**2,272,120,712**	846,886,604	210,406,942
4. Other debt instruments	54,664,032	**50,047,000**	-4,617,032	17,484,338
5. Derivatives not designated as a hedge				
Forward foreign exchange contracts	9,650,606	**56,557,584**	46,906,978	180,323,627
Interest rate swaps contracts	-42,562	**-434,273**	-391,711	-391,711
Commodity option contracts	-122,291,963	**-20,965,613**	101,326,350	104,879,055
Commodity futures contracts	-191,123,081	**36,852,524**	227,973,604	536,352,693
Foreign exchange swap contracts	-14,051,364	**0**	14,051,364	14,051,364
5. Hedging instruments				
Non-effective hedging derivative instruments				
Commodity futures contracts	-1,598,845	**0**	1,598,845	2,142,003
6. Provisional price arrangement	-14,293,551	**0**	14,293,551	14,293,551
Effective hedging derivative instruments				
Commodity futures contracts	-19,569,660	**3,400,716**	22,970,376	-3,659,071
Item at fair value included in inventory	3,249,373,800	**2,883,906,210**	-365,467,590	-259,314,143
Provisional price arrangement	-179,057,903	**94,236,067**	273,293,970	273,293,971
Total	7,263,390,972	**15,117,048,590**	7,853,657,618	1,359,127,438

Major quarterly financial data in 2018 (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating revenue	50,611,607,557	53,893,822,379	58,091,930,508	52,692,506,316
Net profit attributable to shareholders of the Company	765,958,582	511,672,125	767,349,528	402,495,510
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	762,411,684	-191,184,544	920,929,835	-129,372,953
Net cash flows from operating activities	797,210,336	8,126,317	3,402,579,971	3,285,860,242

3.3 Major accounting data (prepared in accordance with IFRSs)

Unit: '000 Currency: RMB

	2018	2017 (Restated)	Increase/ (decrease) (%)
Revenue	**214,395,309**	204,241,187	4.97
Profit before tax	**3,262,125**	2,906,235	12.25
Income tax expenses	**839,539**	1,146,051	(26.75)
Profit attributable to non-controlling shareholders	**7,569**	109,071	(93.06)
Profit attributable to shareholders of the Company	**2,415,017**	1,651,113	46.27
Basic and diluted earnings per ordinary share attributable to shareholders of the Company *(RMB)*	**0.70**	0.48	46.27

	As at 31 December 2018	As at 31 December 2017 (Restated)	Increase/ (decrease) (%)
Total assets	**102,865,824**	97,469,819	5.54
Total liabilities	**50,839,134**	47,468,135	7.10
Equity attributable to shareholders of the Company	**49,766,311**	47,550,881	4.66
Equity per share attributable to shareholders of the Company *(RMB)*	**14.37**	13.73	4.66

3.4 Differences in accounting data between IFRSs and PRC GAAP

Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRSs and those under PRC GAAP

Unit: Yuan Currency: RMB

	Net profit		**Net assets attributable to shareholders of the Company**	
	Amount for the period	Amount for the previous period	**As at the end of the period**	As at the beginning of the period
Under PRC GAAP	**2,447,475,745**	1,605,632,641	**49,766,311,772**	47,550,877,147
Adjustments to items and amounts under IFRSs	**-32,458,794**	45,590,875		
Under IFRSs	**2,415,016,951**	1,651,223,516	**49,766,311,772**	47,550,877,147

4 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

(I) Changes in Shares

During the Reporting Period, there were no changes in total number of ordinary shares and share capital structure of the Company.

(II) Changes in Shares Subject to Lock-up

Not applicable

(III) The Number of Shareholders and Shareholdings

(1) Total number of Shareholders

Total number of ordinary shareholders at the end of the Reporting Period	134,275
Total number of ordinary shareholders at the end of the previous month before the disclosure of the annual report	133,280
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0
Total number of shareholders of preference shares with voting rights restored at the end of last month before the disclosure of the annual report	0

(2) Particulars of shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of shares not subject to lock-up) at the end of the Reporting Period

Particulars of shareholding of the top ten shareholders

Unit: Share

Name of shareholder (full name)	Increase/decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage *(%)*	Number of shares held subject to lock-up	Pledged or frozen status: Share status	Pledged or frozen status: Number of shares	Nature of shareholder
Jiangxi Copper Corporation Limited ("**JCC**")	35,293,000	1,438,907,110	41.55	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ("**HKSCC**")	-31,792,393	1,148,766,102	33.18	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Unknown		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Unknown		Unknown
China Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products －005L – CT001 SH (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001滬)	0	19,147,350	0.55	0	Unknown		Unknown
Hong Kong Securities Clearing Company Limited	0	11,902,999	0.34	0	Unknown		Unknown
Beijing Fengshan Investment Ltd.	0	6,784,000	0.20	0	Unknown		Unknown
Wutongshu Investment Platform Co., Ltd.	0	5,993,953	0.17	0	Unknown		Unknown
Cheng Shiquan	0	5,423,000	0.16	0	Unknown		Unknown
Liu Shenghai	0	5,275,183	0.15	0	Unknown		Unknown

Shareholdings of the top ten shareholders not subject to lock-up

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares – Class	Class and number of shares – Number
JCC	1,438,907,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	233,428,000
HKSCC	1,148,766,102	Overseas listed foreign shares (H Shares)	1,148,766,102
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
China Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products －005L – CT001 SH (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001滬)	19,147,350	Ordinary shares denominated in RMB (A Shares)	19,147,350
Hong Kong Securities Clearing Company Limited	11,902,999	Ordinary shares denominated in RMB (A Shares)	11,902,999
Beijing Fengshan Investment Ltd.	6,784,000	Ordinary shares denominated in RMB (A Shares)	6,784,000
Wutongshu Investment Platform Co., Ltd.	5,993,953	Ordinary shares denominated in RMB (A Shares)	5,993,953
Cheng Shiquan	5,423,000	Ordinary shares denominated in RMB (A Shares)	5,423,000
Liu Shenghai	5,275,183	Ordinary shares denominated in RMB (A Shares)	5,275,183

The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	(1) JCC, the controlling shareholder of the Company, and the other holders of shares not subject to lock-up are neither connected persons nor parties acting in concert as defined in "the Measures for the Administration of the Takeover of Listed Companies" (《上市公司收購管理辦法》) issued by CSRC. (2) The Company is not aware of any connected relationship among other holders of shares not subject to lock-up, nor aware of any parties acting in concert as defined in "the Measures for the Administration of the Takeover of Listed Companies" (《上市公司收購管理辦法》) issued by CSRC.
Shareholders of preference shares with restored voting rights and their shareholding	/

Notes: 1. HKSCC held a total of 1,148,776,102 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 33.18% of the total issued share capital of the Company. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers.

2. The 223,428,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H shares held by JCC, HKSCC held 1,382,194,102 shares as nominee, representing approximately 39.92% of the issued share capital of the Company.

3. During the reporting period, JCC increased its holdings of 35,293,000.00 H shares in the secondary market of Hong Kong, accounting for 1.02% of the total share capital of the Company. As of 31 December 2018, shareholding ratio of JCC increased from 40.53% before the increase in shareholding to 41.55%.

Shareholdings of the top ten shareholders subject to lock-up and the trading restrictions

Not applicable

(3) Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares

Not applicable

(IV) Interests and Short Positions of Shareholders

As at 31 December 2018, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance ("**SFO**") or otherwise as notified to the Company were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of the number of the relevant class of shares *(%)*	Approximate percentage of total issued share capital *(%)*
JCC	A shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC *(Note 2)*	H shares	Beneficial owner	233,428,000(L)	16.82(L)	6.74(L)
Citigroup Inc.	H shares	*(Note 3)*	85,363,310(L)	6.15(L)	2.47(L)
			7,431,357(S)	0.53(S)	0.21(S)
			65,218,152(P)	4.70(P)	1.88(P)
Blackrock, Inc. *(Note 4)*	H shares	Interests in a controlled corporation	110,984,595(L)	7.99(L)	3.21(L)
			1,457,000(S)	0.11(S)	0.04(S)

Note 1: "L" means long positions in the shares; "S" means short positions in the shares; and "P" means shares available for lending in the shares.

Note 2: The 233,428,000 H shares held by JCC were registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc. on 31 December 2018, its holdings of H Shares are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	11,990,158(L)
	7,431,357(S)
Approved lending agents	65,218,152(L)
Persons having a security interest in shares	8,155,000(L)

According to the notice, long position in 7,746,453 H shares and short position in 7,362,053 H shares are physically settled unlisted derivative; and long position in 75,000 H shares are cash settled unlisted derivative.

Note 4: According to the corporate substantial shareholder notice issued by Blackrock, Inc. on 5 October 2018, short position in 397,000 H shares are cash settled unlisted derivative.

Save as disclosed above, pursuant to the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2018.

5 BASIC INFORMATION OF CORPORATE BONDS

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Maturity date	Bonds balance	Interest rate *(%)*	Repayment of principal and interest	Trading venue
2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	17 JCC 01	143304	20 September 2017	21 September 2022	500,000,000	4.74	The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the final interest shall be paid together with the principal amount.	Shanghai Stock Exchange

Interest payment and repayment of corporate bonds

On 21 September 2018, the Company distributed an interest of RMB4.74 (tax inclusive) to each board lots of "17 JCC 01" with par value of RMB100 according to the "Announcement on the Coupon Rate of 2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited".

Other information on corporate bonds

(1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.

(2) Resale options of investors: Upon publication of the announcement on whether to adjust the coupon rate of the bonds, and the adjustment rate investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the bonds held by them at face value to the Company. If bonds holders do not register, they will be deemed to continue to hold the bonds and accept the aforementioned adjustment.

1. Accounting data and financial indicators of the last two years as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Major indicators	**2018**	2017 (Restated)	**Increase/decrease from last year** *(%)*	Reason for change
EBITDA	**6,372,191,610**	5,582,488,825	**14.15**	
Liquidity ratio	**1.51**	1.43	**0.08**	
Quick ratio	**1.13**	1.00	**0.14**	
Asset-liability ratio *(%)*	**49.42**	48.70	**0.01**	
EBITDA total debt ratio	**7.98**	8.50	**-0.52**	
Interest cover ratio	**3.34**	4.11	**-0.78**	
Cash interest coverage ratio	**7.40**	5.83	**1.58**	
EBITDA interest coverage ratio	**4.52**	6.08	**-1.56**	
Loan repayment rate *(%)*	**100**	100		
Interest coverage *(%)*	**100**	100		

6 CHANGES IN SHAREHOLDINGS AND REMUNERATIONS OF EXISTING DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from related parties of the Company
Long Ziping	Chairman	Male	58	11 September 2017		0	0	/	/	80.91	No
Zheng Gaoqing	General Manager	Male	53	18 January 2019		0	0	/	/	0	No
Zheng Gaoqing	Executive Director	Male	53	22 March 2019		0	0	/	/	0	No
Wangbo	Executive Director	Male	55	18 July 2016		0	0	/	/	80.91	No
Dong Jiahui	Executive Director	Male	56	12 June 2018		0	0			47.19	No
Yu Tong	Chief financial officer	Male	47	28 August 2018		0	0	/	/	25.79	No
Yu Tong	Executive Director	Male	47	15 January 2019		0	0	/	/		No
Wu Yuneng	General Manager	Male	57	08 January 2018	18 July 2018	0	0	/	/		No
Wu Yuneng	Executive Director	Male	57	18 July 2016	15 January 2019	0	0			80.91	No
Wu Jinxing	Chief financial officer	Male	56	25 February 2016	18 July 2018	0	0	/	/		No
Wu Jinxing	Executive Director	Male	56	18 July 2016	15 January 2019	0	0			80.91	No
Gao Jianmin	Executive Director	Male	59	24 January 1997		0	0	/	/	20	No
Liang Qing	Executive Director	Male	65	12 June 2002		0	0	/	/	20	No
Sun Chuanyao	Independent non-executive Director	Male	74	18 July 2016	6 March 2018	0	0	/	/	2.5	No
Zhou Donghua	Independent non-executive Director	Male	36	7 June 2017		0	0	/	/	10	No
Liu Erh Fei	Independent non-executive Director	Male	60	18 July 2016		0	0	/	/	10	No
Tu Shutian	Independent non-executive Director	Male	56	12 January 2015		0	0	/	/	10	No
Liu Xike	Independent non-executive Director	Male	45	12 June 2018		0	0	/	/	5.83	No
Zhu Xingwen	Independent non-executive Director	Male	57	15 January 2019		0	0	/	/	0	No
Hu Qingwen	Chairman of the Supervisory Committee	Male	55	14 June 2013		0	0	/	/	58.09	No
Zeng Min	Supervisor	Male	54	21 March 2016		0	0	/	/	58.09	No
Liao Shengsen	Supervisor	Male	58	18 July 2016		0	0	/	/	58.09	No
Zhang Jianhua	Supervisor	Male	54	18 July 2016		0	0	/	/	58.09	No
Zhang Kui	Supervisor	Male	56	29 March 2017		0	0	/	/	58.09	No
Liao Xingeng	Deputy General Manager	Male	53	18 July 2018		0	0	/	/	30.94	No
Huang Mingjin	Deputy General Manager	Male	56	3 October 2012		0	0	/	/	61.89	No
Jiang Chunlin	Deputy General Manager	Male	49	25 August 2010		0	0	/	/	61.89	No
Chen Yunian	Deputy General Manager	Male	54	23 October 2017		0	0	/	/	61.89	No
Zhou Shaobing	Deputy General Manager	Male	48	23 October 2017		0	0	/	/	61.89	No
Lin Jinliang	Legal Director	Male	54	30 August 2010		0	0	/	/	61.89	No
Liu Jianghao	Chief Engineer	Male	58	23 October 2017		0	0	/	/	61.89	No
Zeng Qingjian	Deputy General Manager	Male	47	23 October 2017	18 July 2018	0	0	/	/	36.1	No
Tung Tat Chiu	Secretary to the Board	Male	56	24 January 1997		0	0	/	/	5	No
Total	/	/	/	/	/	/		/	/	1,208.78	/

7 REPORT OF THE BOARD

I. Principal business, operation mode and industry situation of the Company during the Reporting Period

(I) Principal business and operation mode of the Company

The principal business of the Group covers copper mining and dressing, smelting and processing, extraction and processing of the precious metal and scattered metal, sulphuric chemistry as well as finance and trade fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry. The main products of the Company include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

The main assets owned and controlled by the Company include:

1. Six mines under production:	Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine, Dongxiang Copper Mine and Yinshan Mining Company.
2. Three smelters:	Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.. Among which Guixi Smelter is the largest blister and copper concentrate smelter and refiner in China with the largest scale, most advanced technologies and best environmental protection.

3. Eight modern copper products processing plants: Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi JCC – Yates Copper Foil Inc., Jiangxi Copper Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Pipe Company Limited, JCC Copper Products Company Limited, JCC Huabei (Tianjin) Copper Co., Ltd., JCC Huadong (Zhejiang Cooper) Co., Ltd..

4. Two sulphuric acid plants with advanced technology: Jiangxi Jiangtong – Wengfu Chemical Company Limited and Jiangxi Copper (Dexing) Chemical Company Limited.

5. The Group's trading segment is principally engaged in the trading of copper cathode, copper rods and other metal commodities. Relying on the non-ferrous metal manufacturing industry, the Group actively carried out domestic and foreign trade, and achieved rapid growth in trade income. At present, the Group has formed an industrial chain from raw material supply to terminal products and realize a whole industry chain operation mode. Meanwhile, through creating value with customers, the Group has owned a stable customer base, established a good market reputation in the industry, and were in a leading position in the domestic market.

(II) Explanation of the industry

Since 2018, despite the slowdown in global economic growth, trade protection policies have risen, and uncertainties have increased, the overall performance of the global economy has shown modest growth. The copper market was affected by factors such as macroeconomic and financial market volatility, copper prices fluctuated greatly during the year. In 2018, copper prices reached a maximum of USD7,348 per tonne. With the escalating trade friction between China and the United States and the successive crisis in several emerging market countries, the complexity of global economic growth has increased. The market's pessimism on China's economic outlook has been released, and copper prices have fallen sharply, dropping to a low point of USD5,773 per tonne. However, the average annual price still showed an increase. According to statistics, the three-month copper price of LME in 2018 was USD6543 per tonne, increase by 5.6% year-on-year.

II. Analysis of core competitiveness during the Reporting Period

(I) Securing an important strategic position as a leader of the domestic copper industry with national copper base

The Group has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC:

1. The Group owns the current largest size of domestic copper mine, namely Dexing Copper Mine and a number of copper mines under production. By the end of 2018, The Group had 100% ownership in the proven resource reserves of approximately 9,363,000 tonnes of copper metal, decreased by 6.17% year-on-year, 289.6 tonnes of gold, decreased by 2.32% year-on-year, 8,715.8 tonnes of sliver, decreased by 10.83% year-on-year, and 205,000 tonnes of molybdenum, decreased by 1.91% year-on-year. Among the resources jointly controlled by the Group and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold;

2. Guixi Smelter is the copper smelter with the largest monomer smelting scale in the world;

3. The Group is also the largest domestic copper processor.

(II) Mature business layout with comprehensive advantages of integrated industry chain

The Group is the largest integrated producer of copper in the PRC. It has established its industry chain with core businesses such as mining, ore dressing, smelting and processing of copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. It also conducts business in various areas such as finance and trading. The annual production of copper contained in copper concentrates is 200,000 tonnes. The production capacity of copper cathode is over 1,400,000 tonnes per year. The production of processed copper products is over 1,000,000 tonnes per year.

(III) Advantages of industry-leading professional technologies and experienced talents

The Group possesses industry-leading copper smelting and mine development technologies: Guixi Smelter is the first to introduce the entire flash smelting technology in the PRC with the overall technology and key techno-economic indicators reaching the advanced international standards. Dexing Copper Mine is the first to introduce software for the design, planning and optimization of international mining and the global positioning system for truck dispatching. With years of legacy, the Group has reserved abundant mines and talents specialized in smelting and is equipped with expansion ability and advantages for operating similar mines or smelting enterprises.

(IV) Advantage of competitive cost

The Dexing Copper Mine owned by the Group is the largest copper mine in China with leading mining cost and open-pit mining. The unit cash cost is below the industry average. At the same time, the advantages of mine resources further ensure the self-sufficiency rate of copper concentrates, which is conducive to the Group to smooth the risk of fluctuations in raw material costs. Secondly, the Guixi Smelter owned by the Group is the world's largest single smelter, with leading technology and scale effect, giving the Company more cost advantage. In addition, the Group has a relatively advantageous geographical location. The main mines are located in the territory of Jiangxi Province, adjacent to the southeast coastal areas where copper demand is large, and thus the transportation radius of raw materials and copper products is short. Meanwhile, the Group has its own railway line, which can further reduce internal transportation costs.

(V) Advantage of an outstanding brand name

The "Guiye" copper cathode owned by the Company has been successfully registered with the LME in 1996, which is the first world-class brand of copper of the PRC. The Company has become the first enterprise nationwide which has cathode copper, gold and silver products all registered with the LME and the London Bullion Market Association (LBMA). The copper testing factory established based on the laboratory of Guiye Center of the Company, is the only testing factory of copper cathode in the PRC recognized by the LME, which has finished a number of cathode copper tests for various domestic enterprises registered with the LME. The Company has maintained good and long-term relationship with world-class mining enterprises.

III. Management Discussion and Analysis

During the Reporting Period, facing the slowdown in global economic recovery, factors such as protectionism and the rise of unilateralism have plagued the development of the non-ferrous metals industry. The Group has worked hard to overcome the difficulties and accomplish its annual production and operation goals.

(I) Production and operation progressed steadily and completing the annual production and operation plan

During the Reporting Period, the Group successfully achieved the production plan for all products and produced: 1,463,700 tonnes of copper cathode, representing a year-on-year increase of 6.51%; 208,300 tonnes of copper concentrates, representing a year-on-year decrease of 0.62%; 25.58 tonnes of gold, which is flat with last year; 394.53 tonnes of silver, representing a year-on-year decrease of 18.40%; 7,506 tonnes of molybdenum concentrates (45%), representing a year-on-year increase of 3.02%; 4,018,200 tonnes of sulphuric acids, representing a year-on-year increase of 12.51%; 2,468,500 tonnes of sulphur concentrates, representing a year-on-year decrease of 1.26%; produced 967,900 tonnes of copper rods, representing a year-on-year decrease of 1.68%; 151,200 tonnes of other copper processing products (excluding copper rods), representing a year-on-year decrease of 0.07%.

(II) Investment in mergers and acquisitions accelerated, and development momentum steadily increased

In accordance with the general idea of "focus on mergers and acquisitions with domestic and foreign expansion", we would further improve the domestic industrial layout, promoting overseas investment mergers and acquisitions to accelerate the strategic development.

The Company further improved the domestic industrial layout. The Company established JCC Huadong (Zhejiang Copper) Co., Ltd. in East China and acquired a copper rod production line with a capacity of 150,000 tonnes per year. The Company acquired a 65% equity interest in Yantai Guoxing Copper Co., Ltd. in Yantai City, Shandong Province on the eastern coast, and built a copper production base with a capacity of 180,000 tonnes per year. The Company entered into a merger agreement in March 2019 to acquire a 29.99% equity interest in Humon Smelting (stock code: 002237), a listed company also located in Yantai City. Upon completion of the acquisition, the Company will become the controlling shareholding of Humon Smelting. According to the 2018 interim report of Humon Smelting, it has an annual capacity of 50 tonnes of gold and 700 tonnes of silver, and has 112 tonnes of proven gold.

The Group accelerated the promotion of international operations. We participated in the establishment of the Zambia Jiangxi Multi-Functional Economic Zone and deeply participated in the construction of the "One Belt One Road". We established a preparatory group for African mining companies and actively participated in resource procurement and development in Africa. We also continued to track multiple overseas resource projects. We conducted main body rating on the Company, which lays the foundation for the issuance of overseas dollar debt.

(III) Adhering to the reformation with vitality and continuing to promote the reform of internal system and mechanism

We focused on improving the management and control capabilities of the Company, adjusted and optimized the management and control model and headquarters functions of the Group. We highlighted the "four centers" positioning of strategic management, resource allocation, risk control and operation coordination at headquarters, and built a hybrid management and control model with strategic operation and control as the mainstay and strategic management and control as the supplement.

(IV) Multiple breakthrough in scientific research and innovation, and the development momentum continuing to improve

In terms of scientific research and innovation, the Group has exerted its efforts from various perspectives such as mechanisms, platforms, talents and projects to implement an innovation-driven strategy. The Group introduced a series of scientific research special systems such as scientific research system optimization plan and science and technology development management measure. We promoted the integration of production, education and research, and establish contacts and deepen cooperation with Tsinghua University and the Institute of Metal Research of the Chinese Academy of Sciences. We implemented the pilot chief scientist mechanism to promote research on carbon nanomaterials and other projects. We achieved industrialization achievements in projects such as sulfur concentrate upgrading and zinc reduction of Yongtong Copper Mine and platinum and palladium concentrate treatment. Intelligent manufacturing projects such as the first phase of Guixi Smelter intelligent factory phase I and the Chengmenshan Copper Mine intelligent mine were promoted in an orderly manner. Throughout the year, the Company applied for 106 patent, obtained 62 authorized patent, and was awarded one third prize of Jiangxi Science and Technology Progress Award.

IV. Major business operations during the Reporting Period

According to the audited 2018 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB215,289,866,760 (2017: RMB205,054,238,934), representing an increase of RMB10,235,627,826 (or 4.99%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB2,447,475,745 (2017: RMB1,605,632,641), representing an increase of RMB841,843,104 (or 52.43%) as compared with last year; basic earning per share is RMB0.71(2016: RMB0.46), representing an increase of RMB0.25 (or 54.35%) as compared with last year.

(I) Analysis of principal businesses (prepared in accordance with PRC GAAP)

Table of movement analysis for the related items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year *(Restated)*	Changes *(%)*
Revenue	**215,289,866,760**	205,054,238,934	4.99
Cost	**207,471,870,099**	195,682,381,801	6.02
Selling and distribution expenses	**569,029,106**	533,432,834	6.67
Administrative expenses	**1,558,616,980**	1,675,721,572	-6.99
Expenses on research and development	**206,932,138**	158,312,890	30.71
Finance costs	**812,936,465**	524,512,156	54.99
Net cash flow from operating activities	**8,182,118,246**	3,284,013,341	149.15
Net cash flow from investing activities	**-9,178,398,035**	-2,164,315,041	324.08
Net cash flow from financing activities	**1,108,604,280**	1,556,979,130	-28.80%
Impairment losses on assets	**481,423,550**	2,336,100,053	-79.39
Credit impairment loss	**1,369,110,212**	–	100.00
Other income	**154,467,076**	89,668,111	72.27
Investment income	**591,100,790**	-452,941,202	-230.50
Gains on changes in fair value	**662,941,683**	-20,968,592	-3,261.59
Non-operating income	**43,352,012**	71,158,777	-39.08
Non-operating expenses	**15,299,942**	100,409,843	-84.76

Explanation on changes in operating revenue: It was mainly due to the increase in the price of the main products and production;

Explanation on changes in operating cost: It was mainly due to the increase in raw materials prices and production;

Explanation on changes in selling and distribution expenses: It was mainly due to the increase in sales;

Explanation on changes in administrative expenses: It was mainly due to the decrease in repairment costs of factory and mine;

Explanation on changes in expenses on research and development: It was mainly due to the Company increased the investment in research;

Explanation on changes in finance costs: It was mainly due to the adjustment of financing structure;

Explanation on changes in net cash flow from operating activities: It was mainly due to the increase in operating income;

Explanation on changes in net cash flow from investment activities: It was mainly due to the year-on-year increase in financial assets;

Explanation on changes in net cash flow from financing activities: It was mainly due to the improvement of operating cash flow and the control of financing scale during the year;

Explanation on changes in impairment losses on assets and credit impairment loss: It was mainly due to the change in accounting item from bad debt loss to "credit impairment loss", arising from the implementation of the new financial instruments standard by the Group;

Explanation on changes in gains on changes in fair value: It was mainly due to change in financial instruments standard, the measurement of non-listed equity investments was changed from cost method to at fair value through profit or loss;

Explanation on changes in returns on investment: It was due to major commodity hedging futures closing income;

Explanation on changes in non-operating income: It was mainly due to separate presentation of government subsidies;

Explanation on changes in non-operating expenses: It was mainly due to the expiration and disposal of part of the fixed assets of the factory and mine.

1. *Analysis on income and cost*

(1) Principal businesses by industry, by product and by geographical location

Unit: Yuan Currency: RMB

Principal businesses by industry

By industry	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Industrial and other non-trade income	102,877,495,878	92,434,193,819	7.61	21.98	25.83	Decreased by 2.83 percentage points
Trade income	111,950,297,145	114,633,508,142	0.19	-6.11	-5.83	Decreased by 0.30 percentage point
Other	462,073,737	404,168,138	-4.17	-43.97	-37.87	Decreased by 10.21 percentage points

Principal businesses by product

By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	122,741,976,497	116,976,463,924	4.70	1.05	1.27	Decreased by 0.02 percentage point
Copper rods and wires	47,315,355,153	46,135,171,847	2.49	4.07	4.33	Decreased by 0.24 percentage point
Copper processing products	5,136,410,957	4,842,840,387	5.72	-2.51	0.03	Decreased by 2.39 percentage points
Gold	7,259,896,082	7,080,067,608	2.48	0.44	8.86	Decreased by 7.54 percentage points
Silver	2,057,012,524	2,027,101,423	1.45	-30.37	-26.56	Decreased by 5.11 percentage points
Chemical products (sulfuric acid and sulfur concentrate)	1,200,900,806	1,327,121,039	-10.51	1.26	0.03	Increased by 1.36 percentage points
Rare metals	4,009,916,859	3,978,097,843	0.79	7.83	7.57	Increased by 0.24 percentage point
Other non-ferrous metals	1,230,555,119	1,127,618,850	8.37	-11.15	-12.61	Increased by 1.54 percentage points
Copper concentrate, coarse copper and anode plates	19,313,015,942	19,055,449,330	1.33	52.63	56.50	Decreased by 2.44 percentage points
Other principal business	4,562,753,084	4,517,769,711	0.99	50.35	67.30	Decreased by 10.03 percentage points
Other business income	462,073,737	404,168,138	12.53	-33.97	-38.22	Increased by 6.02 percentage points

Principal businesses by geographical location

By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Mainland China	187,733,626,339	179,896,525,408	4.17	11.1	13.81	Decreased by 1.11 percentage point
Hong Kong	12,564,502,817	9,412,230,222	25.09	-64.23	-54.01	Increased by 24.27 percentage points
Other region	14,991,737,604	18,163,114,469	-21.15	-16.91	4.97	Decreased 22.43 percentage points
Total	215,289,866,760	207,471,870,099	3.63	5.00	5.94	Decreased 0.86 percentage point

Explanation on principal businesses by industry, by product and by geographical location

(2) Analysis table for output and sales

Major products	Output	Sales	Stock	Output Increased (reduced) as compared with last year (%)	Sales Increased (reduced) as compared with last year (%)	Stock Increased (reduced) as compared with last year (%)
Copper cathode *(ten thousand tonnes)*	146.37	135.45	4.20	6.51	0.14	37.70
Gold *(tonne)*	25.58	28.35	0.23	0.00	8.00	0.00
Silver *(tonne)*	394.53	405.55	67.80	-18.40	-19.56	452.57
Sulfuric acids *(ten thousand tonnes)*	401.82	380.87	4.70	10.47	1.78	37.43
Copper processing products *(ten thousand tonnes)*	117.06	88.04	1.79	3.08	-4.88	73.79

Explanation of output and sales

NIL

(3) Analysis on costs

Unit: Yuan Currency: RMB

By Product

By Product	Cost constituent	**For the period**	**Share of total costs for the period** *(%)*	For the same period last year	Share of total costs for the same period last year *(%)*	Changes of the amount for the period compared to the same period last year *(%)*	Explanation
Copper products	Raw materials	**73,425,245,160**	**35.39**	59,502,683,468	30.49	23.40	
	Energy power	**2,054,728,922**	**0.99**	1,878,872,531	0.96	9.36	
	Labour	**1,187,082,597**	**0.57**	1,070,509,138	0.55	10.89	
	Overheads	**3,885,964,565**	**1.87**	3,817,050,206	1.96	1.81	
	Sub-total	**80,553,021,244**	**38.83**	66,269,115,342	33.95	21.55	
By-products of precious metals	Raw materials	**7,631,267,928**	**3.68**	7,663,120,305	3.93	-0.42	
	Energy power	**185,618,266**	**0.09**	3,849,798	0.00	4,721.51	
	Labour	**136,471,033**	**0.07**	19,957,525	0.01	583.81	
	Overheads	**434,358,714**	**0.21**	48,456,415	0.02	796.39	
	Sub-total	**8,387,715,941**	**4.04**	7,735,384,044	3.96	8.43	
Chemical products	Raw materials	**258,690,307**	**0.12**	406,289,523	0.21	-36.33	
	Energy power	**333,195,092**	**0.16**	179,867,614	0.09	85.24	
	Labour	**189,290,602**	**0.09**	155,261,826	0.08	21.92	
	Overheads	**430,088,851**	**0.21**	364,063,419	0.19	18.14	
	Sub-total	**1,211,264,852**	**0.58**	1,105,482,382	0.57	9.57	
Rare metals	Raw materials	**84,198,882**	**0.04**	24,775,813	0.01	239.84	
	Energy power	**52,075,649**	**0.03**	3,496,185	0.00	1,389.50	
	Labour	**23,622,988**	**0.01**	10,551,533	0.01	123.88	
	Overheads	**87,048,882**	**0.04**	15,190,732	0.01	473.04	
	Sub-total	**246,946,401**	**0.12**	54,014,262	0.03	357.19	
Trading and others		**117,072,921,661**	**56.43**	120,022,483,734	61.49	-2.46	
	Total	**207,471,870,099**	**100**	195,186,479,765	100	6.29	

Unit: Yuan Currency: RMB

By industry

By industry	Cost constituent	**For the period**	**Share of total costs for the period** *(%)*	For the same period last year	Share of total costs for the same period last year *(%)*	Changes of the amount for the period compared to the same period last year *(%)*	Explanation
Manufacturing of non-ferrous metals	Raw materials	**81,399,402,278**	**39.23**	67,596,869,109	34.63	20.42	
	Energy power	**2,625,617,928**	**1.27**	2,066,086,128	1.06	27.08	
	Labour	**1,536,467,220**	**0.74**	1,256,280,022	0.64	22.30	
	Overheads	**4,837,461,012**	**2.33**	4,244,760,771	2.17	13.96	
	Sub-total	**90,398,948,438**	**43.57**	75,163,996,031	38.51	20.27	
Trading of non-ferrous metals and others		**117,072,921,661**	**56.43**	120,022,483,734	61.49	-2.46	
	Total	**207,471,870,099**	**100**	195,186,479,765	100	6.29	

Other explanation on analysis on cost

(4) Major sales customers and major suppliers

Sales amount of the top five customers was RMB25,892.05 million, making up 12.03% of the total sales amount for the year, among which sales amount of related parties in the sales amount of the top five customers was RMB0, making up 0% of the total sales amount.

Procurement amount of the top five suppliers was RMB24,679.08 million, making up 11.9% of the total procurement amount for the year, among which procurement amount of related parties in the procurement amount of the top five suppliers was RMB0, making up 0% of the total procurement amount.

Other descriptions

NIL

Explanation of other situations of analysis on costs

2. *Expense*

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year (%)	Reasons for the changes
Selling and distribution expenses	**569,029,106**	533,432,834	6.67	*Note 1*
Administrative expenses	**1,558,616,980**	1,675,721,572	-6.99	*Note 2*
Finance costs	**812,936,465**	524,512,156	54.99	*Note 3*

Note 1: Explanation on changes in selling and distribution expenses: It was mainly due to the increase in sales;

Note 2: Explanation on changes in administrative expenses: It was mainly due to the decrease in repairment costs of factory and mine;

Note 3: Explanation on changes in finance costs: It was mainly due to the adjustment of financing structure.

3. *Research and Development (“**R&D**”) contribution*

R&D contribution table

Unit: Yuan Currency: RMB

Expenditure R&D contribution in current period	2,743,490,000
Capitalization R&D contribution in current period	157,032,000
Sum of R&D contribution	2,900,522,000
Percentage *(%)* of sum of R&D contribution in operating income	1.35
Number of R&D personnel in the company	5,501
Percentage *(%)* of number of R&D personnel in total amount of company staff	27.91
Proportion *(%)* of R&D investment capitalization	5.42

Explanation

In 2018, the Group carried out a series of research and development projects in the areas of "exploration, selection, smelting, processing, new materials" in light of the development strategy and the actual situation of the Company. The Group was committed to reducing production costs, enhancing safety and environmental protection, and improving comprehensive recycling.

During the Reporting Period, the "Integration and Application of New Technology for High Concentration Flotation Selection of Complex Lead-Zinc Sulfide Ore" ("**複雜鉛鋅硫化礦高濃度分速浮選新技術集成及應用**") submitted by the Group won the first prize of Jiangxi Science and Technology Progress Award; the "Key Technology for Construction and Operation of Tailings Dam Based on Mid-line Tailings Dam Method" ("**基於中綫式尾礦築壩法的尾礦壩建設及運行關鍵技術**") won the third prize of Jiangxi Science and Technology Progress Award. Meanwhile, research and development projects such as the "Research on the Technology of Expanding the Scale of Selection in Dexing Copper Mine" ("**德興銅礦採選規模擴大技術的研究**"), "Industrial Experimental Research of 680 Cubic Ultra Large Scale Flotation Selection Machine" ("**680立方米超大型浮選機工業試驗研究**"), "Development of Newly Built Rhenium Deep Processing Production Line" ("**新建錸金屬深加工生產綫開發**"), "Research on Preparation Technology of High Tensile Lithium Battery Copper Foil" ("**高抗拉鋰電銅箔製備技術研究**"), and "Research on Controllable Preparation and Scale Application Technology of High Quality Single-walled Carbon Nanotubes" ("**高品質單壁碳納米管可控制備及規模應用技術研究**") are steadily advancing. The Group will continue to utilize the driving force of technological innovation to create new profit growth points.

The Group will continue to utilize the driving force of technological innovation to create new profit growth points. Guixi Smelter has been listed in the Smelter Intelligent Manufacturing Experimental and Demonstration Project by the Ministry of Industry and Information Technology. Guixi Smelter focuses on developing the technology for incorporating the advanced technology including data integration for industrial internet and big data analytics technology to improve the quality of the products, control and optimization of process, synergy between materials and energy, labor efficiency, guarantee for safety and environmental protection and reduction of operation costs of Guixi Smelter, which will further improve the core competitiveness of Guixi Smelter in the copper smelting industry. Meanwhile, to create a mine intelligent service platform for major mines, with the application of "Internet Plus" in the mining and processing procedures, the Company moves the mine production along a more innovative and intelligent direction.

4. *Cash Flow*

Unit: Yuan Currency: RMB

Item	**For the year**	For the same period last year	Changes (%)	Explanation
Net cash flow from operating activities	**8,182,118,246**	3,284,013,341	149.15%	*Note 1*
Net cash flow from investing activities	**-9,178,398,035**	-2,164,315,041	324.08%	*Note 2*
Net cash flow from financing activities	**1,108,604,280**	1,556,979,130	-28.80%	*Note 3*

Note 1: Explanation on changes in net cash flow from operating activities: It was mainly due to the increase in operating income;

Note 2: Explanation on changes in net cash flow from investment activities: It was mainly due to the year-on-year increase in financial assets;

Note 3: Explanation on changes in net cash flow from financing activities: It was mainly due to the improvement of operating cash flow and the control of financing scale during the year;

(II) Explanation on major changes caused by non-principle business

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year *(Restated)*	Changes
Impairment losses on assets	**481,423,550**	2,336,100,053	-1,854,676,503
Impairment losses on credit	**1,369,110,212**	–	1,369,110,212
Gains on changes in fair value	**662,941,683**	-20,968,592	683,910,275
Returns on investment	**591,100,790**	-452,941,202	1,044,041,992

V. Analysis of assets and liabilities

(I) Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period *(%)*	As at the end of the previous period *(Restated)*	Share of total assets as at the end of the previous period *(%)*	Changes as at the end of the period over the end of the previous period *(%)*	Explanation
Financial assets at fair value through profit or loss	**–**	**–**	401,504,647	0.41	-100	*Note 1*
Held-for-trading financial assets	**9,741,327,663**	**9.47**	–	–	100	*Note 2*
Derivative financial assets	**263,905,443**	**0.26**	–	–	100	*Note 3*
Notes receivable and account receivable	**8,957,644,756**	**8.71**	12,804,619,628	13.14	-30.04	*Note 4*
Prepayments	**2,358,850,441**	**2.29**	1,781,162,694	1.83	32.43	*Note 5*
Other receivables	**3,028,494,949**	**2.94**	4,952,461,158	5.08	-38.85	*Note 6*
Assets classified as held for sale	**83,660,951**	**0.08**	23,308,163	0.02	258.93	*Note 7*
Available-for-sale financial assets			2,671,176,000	2.74	-100.00	*Note 8*
Non-current assets due within one year	**2,933,737,673**	**2.85**	1,879,824,856	1.93	56.06	*Note 9*

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period (Restated)	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Other current assets			1,665,484,460	1.71	-100.00	*Note 10*
Non-current asset due within one year	**50,047,000**	**0.05**			100.00	*Note 11*
Other non-current financial assets	**2,272,120,712**	**2.21**			100.00	*Note 12*
Other non-current assets	**1,412,428,836**	**1.37**	693,612,328	0.71	103.63	*Note 13*
Financial liabilities at fair value through profit or loss			724,147,935	0.74	-100.00	*Note 14*
Derivative financial liabilities	**94,258,438**	**0.09**			100.00	*Note 15*
Advance from customers			1,544,871,510	1.58	-100.00	*Note 16*
Contract liabilities	**3,311,246,333**	**3.22**			100.00	*Note 17*
Non-current liabilities due within one year	**133,399,504**	**0.13**	230,895,078	0.24	-42.23	*Note 18*
Other current liabilities	**1,963,394,870**	**1.91**	3,159,194,547	3.24	-37.85	*Note 19*
Long-term borrowings	**3,282,000,000**	**3.19**	8,750,000	0.01	37,408.57	*Note 20*
Long-term payroll payables	**34,589,330**	**0.03**	63,880,275	0.07	-45.85	*Note 21*
Long-term payables	**60,141,729**	**0.06**	124,647,619	0.13	-51.75	*Note 22*
Other comprehensive income	**116,481,629**	**0.11**	-114,215,007	-0.12	201.98	*Note 23*

Note 1 As at the end of the Reporting Period, the financial assets at fair value through profit or loss of the Group amounted to RMB0, representing a decrease of RMB401.50 million (or -100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 2 As at the end of the Reporting Period, the held-for-trading financial assets of the Group amounted to RMB9,741.33 million, representing an increase of RMB9,741.33 million (or 100%) as compared to the end of last year, mainly attributable to a change in accounting items arising from the implementation of a new financial instruments standard by the Group.

Note 3. As at the end of the Reporting Period, the derivative financial instruments of the Group amounted to RMB263.91 million, representing an increase of RMB263.91 million (or 100%) as compared to the end of last year, mainly attributable to the implementation of a new financial instruments standard by the Group.

Note 4. As at the end of the Reporting Period, the notes receivable and account receivable of the Group amounted to RMB8,957.64 million, representing a decrease of RMB3,846.97 million (or -30.04%) over the same period last year, mainly attributable to decrease in account receivable of the Group.

Note 5. As at the end of the Reporting Period, the prepayments of the Group amounted to RMB2,358.85 million, representing an increase of RMB577.69 million (or 32.43%) over the same period last year, mainly attributable to increase in advance payments in imported raw material of the Group.

Note 6. As at the end of the Reporting Period, the other receivables of the Group amounted to RM3,028.49 million, representing a decrease of RMB1,923.97 million (or-38.85%) over the same period last year, mainly attributable to recovery of amount due from related parties and transfer payment from asset management scheme by the Group.

Note 7. As at the end of the Reporting Period, the assets classified as held for sale of the Group amounted to RMB83.66 million, representing an increase of RMB60.35 million (or 258.93%) over the same period last year, mainly attributable to the failure of Kangtong Copper, the subsidiary of the Group, failed to accomplish the environmental protection relocation and machinery and intangible assets are classified into the assets classified as held for sale.

Note 8. As at the end of the Reporting Period, the available-for-sale financial assets of the Group amounted to RMB0, representing a decrease of RMB2,671.18 million (or -100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 9. As at the end of the Reporting Period, the non-current assets due within one year of the Group amounted to RMB50.05 million, representing an increase of RMB50.05 million (or 100%) over the same period last year, mainly attributable to the "other debt investment" which accounted by the new financial instruments standard implemented by the Group will due within one year.

Note 10. As at the end of the Reporting Period, the other current assets of the Group amounted to RMB2,933.74 million, representing an increase of RMB1,053.91 million (or 56.06%) over the same period last year, mainly attributable to increase in loans provided to other financial institutions by subsidiary finance companies of the Group.

Note 11. As at the end of the Reporting Period, the available-for-sale financial assets of the Group amounted to RMB0, representing an increase of RMB1,665.48 million (or -100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 12. As at the end of the Reporting Period, the other non-current financial assets of the Group amounted to RMB2,272.12 million, representing an increase of RMB2,272.12 million (or 100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 13. As at the end of the Reporting Period, the other non-current assets of the Group amounted to RMB1,412.43 million, representing an increase of RMB718.82 million (or 103.63%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 14. As at the end of the Reporting Period, the financial liabilities at fair value through profit or loss of the Group amounted to RMB0, representing a decrease of RMB724.15 million (or -100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 15. As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB94.26 million, representing an increase of RMB94.26 million (or 100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 16. As at the end of the Reporting Period, the advances from customers of the Group amounted to RMB0, representing a decrease of RMB1,544.87 million (or -100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 17. As at the end of the Reporting Period, the contract liabilities of the Group amounted to RMB3,311.25 million, representing an increase of RMB3,311.25 million (or 100%) over the same period last year, mainly attributable to implementation of a new financial instruments standard by the Group.

Note 18. As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB133.40 million, representing a decrease of RMB97.50 million (or -42.23%) over the same period last year, mainly attributable to maturity of long-term loans due within one year.

Note 19. As at the end of the Reporting Period, the other current liabilities of the Group amounted to RMB1,963.39 million, representing a decrease of RMB1,195.80 million (or -37.85%) over the same period last year, mainly attributable to year-on-year decrease of deposits of associated companies deposited in JCC Finance Company Limited, a subsidiary of the Group.

Note 20. As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB3,282.00 million, representing an increase of RMB3,273.25 million (or 37,408.57%) over the same period last year, mainly attributable to year-on-year increase in the credit borrowing of the Group.

Note 21. As at the end of the Reporting Period, the long-term payroll payables of the Group amounted to RMB34.59 million, representing a decrease of RMB29.29 million (or -45.85%) over the same period last year, mainly attributable to distribution of incentive funds to middle and high level employees of the Group.

Note 22. As at the end of the Reporting Period, the long-term payables of the Group amounted to RMB60.14 million, representing a decrease of RMB64.51 million (or -51.75%) over the same period last year, mainly attributable to year-on-year decrease of financing lease payments of of subsidiaries of the Group.

Note 23. As at the end of the Reporting Period, the other comprehensive income of the Group amounted to RMB116.48 million, representing an increase of RMB230.70 million (or 201.98%) over the same period last year, mainly attributable to the foreign currency statement translation difference of overseas joint ventures and associates arising from the rise of the US dollar exchange rate.

(II) Limitation of assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank	12,125,857,224	They were the margin deposits for the application of letters of credit, bank guarantees and acceptances issued as well as bank acceptance notes with the banks, the required reserve deposits placed with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short term borrowings
Trade and bills receivables	837,796,500	Bank acceptance notes with book values of RMB737,796,500 and letters of credit receivable of RMB100,000,000 were pledged to secure bank borrowings
Other receivables	1,716,864,558	Futures margin deposits
Inventories	379,391,482	Inventories were placed as and pledged to secure futures margin deposits
Intangible assets	339,000,000	Land use rights were pledge for bank borrowing.
Fixed assets	597,766,389	They were pledged to secure bank borrowings

VI. Discussion and analysis by the Company concerning the future development of the Company

(I) Analysis of industry operational information

Since 2018, the scrap copper policy has been tightened as scheduled, some of the scrap copper consumption has been transferred to refined copper, overseas smelters have frequently suspended production and carried out maintenance, and the inventory of the three major exchanges in the world have fallen sharply from high levels. However, in the context of the rise of trade protectionism, the escalation of global trade frictions and the continued decline of the macroeconomy, the market expectation in demand has gradually turned pessimistic. Although with the boost from the expected strikes in the second quarter, the rebound in copper prices has not continued. First of all, the broke out of Sino-US trade frictions presented different longevity and complexities. Second, the momentum of the global recovery is obviously less than expected. Except for the US economy, the major developed economies have experienced different levels of weakening in recovery momentum. China has also suffered from downward pressure on the economy. Copper demand has been curbed. The market is not optimistic on demand side, and the destocking process of copper market has also slowed down. Finally, the U.S. Federal Reserve has accelerated the pace of interest rate hikes. The US dollar index and US bond yields has continued to rise, leading to capital outflows from emerging market countries and currency depreciation. Countries such as Argentina and Turkey have experienced different levels of currency crisis.

Analysis on business information of non-ferrous metal industry

1 Profitability of various non-ferrous metal products during the reporting period

Unit: Yuan Currency: RMB

By product or type	Operating revenue	Operating cost	Gross profit margin *(%)*	Increase/ decrease in operating revenue over last year *(%)*	Increase/ decrease in operating cost over last year *(%)*	Increase/decrease in gross profit margin over last year *(%)*
Copper cathode	122,741,976,497	116,976,463,924	4.70	1.05	1.27	Decreased by 0.20 percentage point
Copper rods and wires	47,315,355,153	46,135,171,847	2.49	4.07	4.33	Decreased by 0.24 percentage point
Gold	7,259,896,082	7,080,067,608	2.48	0.44	8.86	Decreased by 7.54 percentage points
Copper processing products	5,136,410,957	4,842,840,387	5.72	-2.51	0.03	Decreased by 2.39 percentage points
Silver	2,057,012,524	2,027,101,423	1.45	-30.37	-26.56	Decreased by 5.11 percentage points
Rare metals	4,009,916,859	3,978,097,843	0.79	7.83	7.57	Increased by 0.24 percentage point
Other non-ferrous metals	1,230,555,119	1,127,618,850	8.37	-11.15	-12.61	Increased by 1.54 percentage points

2 Profitability of online and offline distribution channel during the reporting period

Unit: '0,000 Currency: RMB

	For this year			For past year		
Distribution Channel	**Operating revenue**	**Proportion of operating revenue** *(%)*	**Gross Profit Margin** *(%)*	Operating revenue *(Restated)*	Proportion of operating revenue *(%)*	Gross Profit Margin *(%)*
Online selling	**0**	**0**	**0**	0	0	0
Offline selling	**215,289,866,760**	**100**	**3.63**	205,054,238,934	100	4.57
Total	**215,289,866,760**	**100**	**3.63**	205,054,238,934	100	4.57

3 *Profitability by various geographical location during the reporting period*

Unit: '0,000 Currency: RMB

Geographical location	Operating revenue	Proportion of operating revenue *(%)*	Increase/ decrease of operating revenue from last year *(%)*
Mainland China	18,773,363	87.2	12.49
Sub-total of the mainland	18,773,363	87.2	12.49
Hong Kong	1,256,450	5.84	-39.11
Others	1,499,174	6.96	-14.46
Subtotal of the overseas	2,755,624	12.8	-27.79
Total	21,528,987	100	4.99

(II) Competition within the industry and the trend of development

In 2019, the supply of basic metals has tightened, and demand is expected to gradually pick up. On the supply side, although the environmental protection policy tends to be rectified in 2018 and to weaken the constraint on supply of non-ferrous metals, but in the long run, environmental protection will remain an important condition to the supply constraint on non-ferrous metals. Through the enhancement of environmental emission standards, the growth of non-ferrous metal production capacity will be effectively restrained, and the internalization of environmental protection social costs into metal production costs is expected to further support the price. On the demand side, the introduction of domestic steady growth measures, infrastructure investment and the growth of home appliances and automobiles in the post-real estate cycle are expected to boost the demand for non-ferrous metals and improve the pessimistic expectations. In terms of currency attributes, the downturn of the external economy of unexpected magnitude and the financial instability resulting therein may cause the U.S. Federal Reserve to adjust the pace of interest rate hikes. In the medium and long term, the trend of the US dollar is positive for the non-ferrous metals. Meanwhile, the trade war between China and the United States has shown signs of easing. The domestic economic development will continue to maintain an overall stable tone. It is expected that the overall trend of copper prices in 2019 will be moderately positive.

(III) The development strategy of the Company

The Group adheres to the developmental strategic direction of "copper-based, strengthening non-ferrous, diversified development, global layout", which will promote high-quality development of the Company by focusing on achieving "top-ranking in five aspects" of resource reserves, product influence, technological innovation, system and mechanism, and core indicators, and continuously enhance the ability of innovation and development. The Group will strive to become the world's leading company in the copper industry with influence in global development.

(IV) Business plan

In 2019, the Group's main production and operation plan is to: produce 1.44 million tonnes of copper cathode, 25 tonnes of gold, 313 tonnes of sliver, 3.62 million tonnes of sulfuric acid, 205,800 tonnes of copper contained in copper concentrates, 1.258 million tonnes of copper rods and wires and other copper processing products. The capital expenditure plan for the development project and the maintenance project is RMB2.655 billion (excluding equity investment), and authorize the management of the Company to adjust the above plan in a timely manner according to market conditions. The Group will timely adjust the plan based on the changes in market conditions.

To realize the above plan, in 2019, the Group will primarily exert efforts in the following aspects:

(I) The Group will steadily push forward the implementation of strategies. The Group will systematically promote the implementation of key breakthrough measures, accelerate the pace of high-quality leap-forward development, and materially push forward various work. The Group will vigorously promote scientific and technological innovation; continue to deepen institutional and mechanism reform; accelerate the promotion of internationalized operations; continue to focus on the implementation of key projects and improve capital protection ability.

(II) The Group will keep improving and promoting management and control upgrades, and comprehensively improve internal management capabilities. The Group will further grasp the basic management; further deepen the fulfillment of and development of benchmarks; further improve the level of management informatisation and further enhance the level of risk control.

(III) The Group will be dedicated to exerting subjective initiative to ensure high quality and efficient completion of the year-round tasks. The Group will value both the quantity and quality, high quality and efficiency, to ensure the completion of the annual production and operation objectives of the Company. The Group will continue to refine the production organization and to maintain high production and high efficiency; continue to explore the efficiency space to improve business performance; continue to practice the green concept to implement safe, environmentally friendly, green and harmonious work. The Group will fully implement the safe production responsibility system, further strengthen the whole process of safe production control, further consolidate the basic work of environmental protection, strengthen the operation and maintenance of environmental protection facilities, continue to promote the construction of environmental protection projects, and improve the source control capabilities.

(V) Potential risks

1. *Risk of bad debts in account receivables*

The account receivables of the Group are credit mainly derived from sales of copper metal and copper products. Although the Group has formulated management measures for account receivables, conducted assessment on the degree of credit of customers on a regular basis and checked the status of payment receipt, made adjustment to product sales and carried out active management based on the recovery of payments from customers, as a change in the macroeconomic environment and downstream industries might result in a change in the capital conditions of customers, there remains certain uncertainties relating to the recovery of account receivables of the Group. If bad debts of a large scale occur for account receivables in the future, it would bring certain capital pressure on the Group and affect the scale of profit of the Company.

2. Risks associated with write-down of inventories

Inventories of the Group mainly comprise raw materials, products in progress and commodity stocks. In order to meet production and operation needs, except for self-produced copper, gold, silver and other minerals and their products in the inventories, the Group also needs to purchase and hold substantial amount of copper metal. In accordance with the requirements of the PRC Accounting Standards for Business Enterprises, as at the date of balance sheet, if the inventory cost is higher than the net realizable value, it is required to make provision for write-off of inventories which is included in the profit or loss for the current period. As copper, gold, silver and other metals are important trading varieties in the non-ferrous metal market, high fluctuations are seen in prices as affected by multiple factors. If a material adverse change in related metal prices takes place before external sales of the above inventories, the Group would make allowance of inventories accordingly for a write-off in inventories, thereby affecting the short term profitability of the Group. However, the Group will reduce the depreciation risk via financial hedging derivative instruments.

3. Exchange rate fluctuation risks

Settlement in US dollars is generally preferred by the Group for its imported copper raw materials purchased from international mining companies or sizable trading firms and by the overseas investors. With expansion of overseas business of the Group, the income and expenses of foreign currencies would be even more frequent. Therefore, in case of more fluctuations in exchange rates or failure of effective control of the exchange rate fluctuation risks by the Group, it may incur exchange rate loss to the Group, which in turn may bring certain negative impact on the profitability of the Group. However, the Group uses diversified hedging measures to hedge against risks, and avoid exchange rate and interest rate risks reasonably.

4. Higher risks of change in fair value through profit or loss and change in investment income

In order to reduce the influence of metal prices, exchange rates and interest rate changes on the operating results of the Group, the Group, based on its own situation, conducts hedging transactions. Such hedging transactions do not constitute valid hedge. Profit or loss incurred from related businesses is included in the income statement, which is included in change in fair value through profit or loss and investment income based on the status of realization. Given the significant inherent liquidity of metal prices, exchange rate and interest rate, the change in fair value through profit or loss and investment income generated by the Group are relatively large in scale, with significant volatility.

5. Risk from product price fluctuations

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the London Metal Exchange and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanisms in the international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including global economy, the relationship between supply and demand, market expectations and speculations. As the ore mining and smelting costs of the self-produced ore of the Group are basically fixed, the gross profit margin of the self-produced mineral products of the Group are basically determined by metal prices, which significantly affects the profitability of the Company. The Group will strengthen the cost control to reduce the risks arising from price fluctuation.

6. *Environmental protection risk*

The Group is mainly engaged in the mining, smelting and processing of non-ferrous metals and rare metals. In compliance with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, public health and safety, the Group shall obtain relevant environmental protection permits for its production and operation, and accept inspections by relevant national environmental protection departments. In recent years, the Group has invested a large amount of capital and technological efforts in the transformation of environmental protection equipment and production techniques, and worked on the treatment and discharge of pollutants in accordance with national environmental protection requirements. If the environmental protection departments continues to raise the environmental protection standard in the future, adopt more extensive and strict pollution control measures, the production and operation of the Group may be affected, leading to an increase in operating costs such as environmental protection expenses.

7. *International turmoil risk*

The complicated international situation has brought uncertainties to the production and operation of the Group. First, trade frictions have caused global economic changes and affected the trend of non-ferrous metals prices. Second, geopolitical conflicts have intensified. Since 2018, the Brexit deadlock that the United Kingdom is struggling in, the continuing significant volatility of the Pound exchange rate, the turbulent situation in Venezuela and other factors have affected the non-ferrous metals industry.

(VI) Details of and reasons for the issues not disclosed by the company in accordance with the standards due to inapplicability or other special reasons such as involvement of state or commercial secrets

According to the provisions of the Guidelines on Industrial Information Disclosure of Listed Companies No.28 – Non-ferrous metals, listed companies with proprietary mines are required to disclose information on the resources of the mines, including the total amount of mineral resources of the Company and the recoverable reserves,, grade, annual output, the remaining lives of the resources of the major non-ferrous metals in the major mining areas, and is also required to disclose the relevant calculating standards of the resource reserves. As such data involves commercial secretes of the Company, the Company has not disclosed it for the purpose of safeguarding the interests of the Company and the investors.

8 SIGNIFICANT EVENTS

8.1 Model Code for Securities Transactions by Directors

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") contained in Appendix 10 to the Rule Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Having made special enquiries to all of its Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

8.2 Code on Corporate Governance Practices

The Company strives to maintain and establish quality corporate governance.

To the knowledge of the Board, during the Reporting Period, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules, with the exception of the following deviations:

During the Reporting Period, the legal action which the Directors may face is covered in the internal control and risk management of the Company. As the Company considers that no additional risk is likely to exist, insurance arrangements in respect of legal action against the Directors have not been made as required under code provision A.1.8 of the Code.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the resignation of Mr. Wu Yuneng as the general manager of the Company (the "General Manager") on 18 July 2018, during the period from 18 July 2018 to 17 January 2019, the Company had been looking for the suitable candidate to be appointed as the General Manager. During that period, the responsibilities of the General Manager (where necessary) were shared by each of the vice general manager of the Company within the scope of their authorities. Since 18 January 2019, Mr. Zheng Gaoqing has been appointed as the General Manager.

8.3 Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the Reporting Period.

8.4 Analysis and explanation by the Company regarding the reasons for and impacts brought by the changes in accounting policies and accounting estimates

The Ministry of Finance of the PRC issued in 2017 the amended "Accounting Standards for Business Enterprises No. 14 – Revenue", "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets", "Accounting Standards for Business Enterprises No. 24 – Hedging" as well as "Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments", set to be implemented as at 1 January. The 24th meeting of the seventh session of the Board for the year 2018 has approved the resolutions for the abovementioned matters.

The Ministry of Finance of the PRC issued in 2018 the "Notice on the Revision of the Issuance of the Financial Statements of General Enterprises for Year 2018" (Caihui [2018] No. 15) and "Explanation of Issues relating to the 2018 General Corporate Financial Reporting Format", and required preparation of financial statements for the year 2018 and future statements in accordance with the notice of requirement. The 9th meeting of the eighth session of the Board for the year 2019 has approved the resolutions for the abovementioned matters.

For details about the changes in accounting policies, please refer to the announcements of the Company dated 28 March 2018 and 27 March 2019 in respect of changes in accounting policies disclosed on the website of the Stock Exchange (www.hkexnews. hk) and the website of the Shanghai Stock Exchange (www.sse.com.cn).

8.5 Information on profit distribution and payment of final dividend

The Board hereby recommends that after the approval of the shareholders at the forthcoming 2018 annual general meeting of the Company (the "**AGM**"):

(1) appropriate 10% of the profit after tax calculated under the PRC GAAP to the statutory surplus reserve;

(2) distribute a final dividend of RMB0.20 per share (tax inclusive) for the year ended 31 December 2018 (2017: RMB0.20 per share) to all Shareholders based on the total issued share capital of 3,462,729,405 Shares as at 31 December 2018, amounting to approximately RMB692,545,881. The remaining undistributed profits are carried down to the next year;

(3) the A shares 2018 final dividend will be declared and paid in Renminbi, and the H shares 2018 final dividend will be declared in Renminbi and paid in Hong Kong dollars;

(4) The profit distribution will not carry out transfer of capital reserve to share capital or issue of bonus shares.

The Company expects to distribute the 2018 Final Dividend on Tuesday, 6 August 2019. Further announcement relating to the detailed arrangement of the distribution of the 2018 Final Dividend will be made by the Company in due course.

Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders

Pursuant to the "Enterprise Income Tax Law of the PRC" (《中華人民共和國企業所得稅法》) and the relevant implementing rules which came into effect on 1 January 2008 and the "Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises"(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2017 final dividends paid to the individual H Shareholders (the "**Individual H Shareholders**"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2018 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 9 July 2019, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of 9 July 2019. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in

H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Should the holders of H Shares of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors regarding the relevant tax impacts in mainland China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

Closure of Register of Members

In order to determine the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 25 May 2019 to Tuesday, 25 June 2019 (both dates inclusive). All transfer documents accompanied by the relevant share certificates, must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 24 May 2019.

In order to determine the identity of the shareholders entitled to receive the final dividend of the Company for the year ended 31 December 2018, the register of members of the Company will be closed from Wednesday, 3 July 2019 to Tuesday, 9 July 2019 (both dates inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 2 July 2019.

9 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**2018** **RMB'000**	2017 *RMB'000* *(Restated)*
Revenue	4	**214,395,309**	204,241,187
Cost of sales		**(207,552,232)**	(195,642,937)
Gross profit		**6,843,077**	8,598,250
Other income	4	**885,416**	694,115
Other gains and losses	5	**773,295**	(3,116,313)
Selling and distribution costs		**(569,029)**	(533,434)
Administrative expenses		**(1,787,275)**	(1,851,515)
Impairment losses on financial assets		**1,369,111**	–
Finance costs		**(1,409,007)**	(917,961)
Share of profits and losses of:			
Joint ventures		**(30,243)**	(36,963)
Associates		**(74,998)**	70,056
Profit before tax	6	**3,262,125**	2,906,235
Income tax	7	**(839,539)**	(1,146,051)
Profit for the year		**2,422,586**	1,760,184
Attributable to:			
Owners of the Company		**2,415,017**	1,651,113
Non-controlling interests		**7,569**	109,071
		2,422,586	1,760,184
Earnings per share attributable to ordinary equity holders of the Company:			
– Basic and diluted	9	**RMB0.70**	RMB0.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018
(PREPARED IN ACCORDANCE WITH IFRS)

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	**2,422,586**	1,760,184
Other comprehensive income (expenses)		
Other comprehensive income to that may be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**–**	(753)
Income tax effect	**–**	188
	–	(565)
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**6,554**	–
Income tax effect	**(1,639)**	–
	4,915	–
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments	**3,401**	11,459
Reclassification adjustments for gains included in the statement of profit or loss	**(8,469)**	(5,806)
Income tax effect	**2,117**	(943)

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
	(2,951)	4,710
Exchange differences on translation of foreign operations	**75,921**	(51,962)
Share of other comprehensive income/(expenses) of joint ventures	**6,623**	16,657
Share of other comprehensive income/(expenses) of associates	**158,608**	(154,119)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	**243,116**	(185,279)
Other comprehensive income for the year, net of tax	**243,116**	(185,279)
Total comprehensive income for the year, net of tax	**2,665,702**	1,574,905
Attributable to:		
Owners of the Company	**2,644,908**	1,455,400
Non-controlling interests	**20,794**	119,505
	2,665,702	1,574,905

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018
(PREPARED IN ACCORDANCE WITH IFRS)

	NOTES	**31/12/2018** **RMB'000**	31/12/2017 *RMB'000* *(Restated)*
Non-current assets			
Property, plant and equipment		**21,560,982**	21,981,202
Investment properties		**462,199**	473,556
Prepaid land lease payments		**1,267,624**	1,205,601
Intangible assets		**1,088,845**	689,176
Exploration and evaluation assets		**886,847**	1,096,637
Interests in associates		**3,419,605**	2,904,100
Interests in joint ventures		**256,224**	273,694
Financial instruments other than derivatives		**2,272,121**	1,665,484
Deferred tax assets		**676,853**	716,072
Prepayments, other receivables and other assets		**818,878**	233,007
Deposits for prepaid lease payments		**593,550**	460,610
Total non-current assets		**33,303,728**	31,699,139
Current assets			
Inventories		**17,259,265**	19,997,187
Trade and bills receivables	10	**8,957,645**	12,804,620
Factoring receivables		**2,082,024**	2,227,710
Prepayments, other receivables and other assets		**7,138,995**	7,528,907
Loans to fellow subsidiaries		**1,182,088**	1,014,165
Prepaid land lease payments		**29,838**	28,689
Derivative financial instruments	11	**263,905**	191,770
Financial instruments other than derivatives		**9,791,375**	2,951,286
Restricted bank deposits		**12,125,857**	8,639,835
Cash and cash equivalents		**10,647,443**	10,363,203
		69,478,435	65,747,372
Assets classified as held for sale		**83,661**	23,308
Total current assets		**69,562,096**	65,770,680

	NOTES	**31/12/2018** **RMB'000**	31/12/2017 RMB'000 (Restated)
Current liabilities			
Trade and bills payables	12	**6,230,058**	7,881,408
Other payables and accruals		**7,193,968**	4,900,538
Deposits from holding company and fellow subsidiaries		**1,937,903**	3,083,404
Deferred revenue		**39,301**	50,915
Derivative financial instruments	11	**94,258**	724,148
Interest-bearing bank borrowings		**29,901,455**	28,500,226
Income tax payable		**741,094**	772,990
Total current liabilities		**46,138,037**	45,913,629
Net current assets		**23,424,059**	19,857,051
Total assets less current liabilities		**56,727,787**	51,556,190
Non-current liabilities			
Interest-bearing bank borrowings		**3,282,000**	8,750
Corporate bonds		**500,000**	500,000
Provision for rehabilitation		**191,429**	182,485
Employee benefit liabilities		**34,589**	63,880
Deferred revenue		**523,798**	568,905
Other long-term payables		**60,142**	124,648
Deferred tax liabilities		**109,139**	105,838
Total non-current liabilities		**4,701,097**	1,554,506
Net assets		**52,026,690**	50,001,684
Capital and reserves			
Share capital		**3,462,729**	3,462,729
Reserves		**46,303,582**	44,088,152
Equity attributable to owners of the Company		**49,766,311**	47,550,881
Non-controlling interests		**2,260,379**	2,450,803
Total equity		**52,026,690**	50,001,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
(PREPARED IN ACCORDANCE WITH IFRS)

1. GENERAL

The Company was registered in the People's Republic of China (the "**PRC**") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("**JCC**"), a company established in the PRC, Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is located at 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. The Company's ultimate holding company is JCC, and the ultimate controlling party is the State-owned Assets Supervision & Administration Commission of the People's Government of Jiangxi Province.

The Company and it subsidiaries (the "**Group**") is an integrated producer of copper in the PRC. Its operations consist of copper mining, milling, smelting and refining for the production of copper cathodes, copper rods and wires and other related products, including pyrite concentrates, sulphuric acid, and electrolytic gold and silver, and rare metals such as molybdenum, and trading of copper related products, etc.

The consolidated financial statements are presented in Renminbi ("**RMB**") which is also the functional currency of the Company.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
Amendments to IAS 40	*Transfers of Investment Property*

IFRIC-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	*Amendments to IFRS 1 and IAS 28*

Other than as explained below regarding the impact of (state the applicable standards), the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

(a) Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("**ECLs**").

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

		IAS 39 measurement				**IFRS 9 measurement**	
	Notes	**Categories**	**Amount**	**Re-measurement**	**ECL**	**Categories**	**Amount**
			RMB'000	*RMB'000*	*RMB'000*		
Financial assets							
Debt instruments (including hybrid contracts):							
Listed debentures		FVPL[5]	152,874	–	–	FVPL	152,874
Investments in financial products	(i)	AFS[2]	2,856,762	–	–	FVPL	2,856,762
		L&R[3]	70,375	–	–	FVPL	70,375
Bonds investment	(ii)	AFS	54,664	806	–	FVOCI[1]	55,470
Equity instruments:							
Listed equity investments		FVPL	56,861	–	–	FVPL	56,861
Unlisted equity investments	(iii)	AFS	910,564	371,956	–	FVPL	1,282,520
Income right attached to a target equity interest	(iii)	AFS	514,670	–	–	FVPL	514,670
Derivative financial instruments		FVPL	191,770	–	–	FVPL	191,770
Trade receivables		L&R	9,604,253	–	–	AC[4]	9,604,253
Bills receivables	(iv)	L&R	3,200,367	–	–	FVOCI	3,200,367
Factoring receivables		L&R	2,227,710	–	–	AC	2,227,710
Loans to fellow subsidiaries		L&R	1,014,165	–	–	AC	1,014,165
Financial assets included in prepayments, other receivables and other assets		L&R	5,119,617	–	–	AC	5,119,617
Restricted bank deposits		L&R	8,639,835	–	–	AC	8,639,835
Cash and cash equivalents		L&R	10,363,203	–	–	AC	10,363,203
			44,917,690	372,762	–		45,350,452
Total Assets			97,469,819	372,762	–		97,842,581

	Notes	IAS 39 measurement Categories	Amount RMB'000	Re-measurement RMB'000	ECL RMB'000	IFRS 9 measurement Categories	Amount
Financial liabilities							
Derivative financial instruments		FVPL	724,148	–	–	FVPL	724,148
Trade and bills payables		AC	7,881,408	–	–	AC	7,881,408
Financial liabilities included in other payables and accruals		AC	2,019,975	–	–	AC	2,019,975
Deposits from holding company and fellow subsidiaries		AC	3,083,404	–	–	AC	3,083,404
Interest-bearing bank borrowings		AC	28,508,976	–	–	AC	28,508,976
Corporate bonds		AC	500,000	–	–	AC	500,000
Other long-term payables		AC	124,648	–	–	AC	124,648
			42,842,559	–	–		42,842,559
Other liabilities							
Deferred tax liabilities			105,838	36,478	–		142,316
Total liabilities			47,468,135	36,478	–		47,504,613

1 FVOCI: Financial assets at fair value through other comprehensive income
2 AFS: Available-for-sale investments
3 L&R: Loans and receivables
4 AC: Financial assets or financial liabilities at amortised cost
5 FVPL: Financial assets at fair value through profit or loss

Notes:

(i) The Group has classified its investments in financial products previously classified as available-for-sale investments and other investments as financial assets measured at fair value through profit or loss as these investments in financial products did not pass the contractual cash flow characteristics test in IFRS 9.

(ii) As of 1 January 2018, the Group has assessed its liquidity portfolio of bonds investment which had previously been classified as AFS debt investments. The objective of the Group in holding this liquidity portfolio is to earn interest income and, at the same time, manage everyday liquidity needs. The Group concluded that these debt investments are managed within a business model to collect contractual cash flows and to sell the financial assets. Accordingly, the Group has classified these investments as debt investments measured at fair value through other comprehensive income.

(iii) The Group has classified its unlisted equity investments and income right attached to a target equity interest previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these investments in financial product did not pass the contractual cash flow characteristics test in IFRS 9.

(iv) As of 1 January 2018, the Group has assessed its liquidity portfolio of certain of bills receivable which had previously been classified as loan and receivables. The objective of the Group in holding this liquidity portfolio is to discount bills to the bank or endorse bills to another company to manage the Group's liquidity needs. The Group concluded that these bills receivables are managed within a business model to collect contractual cash flows and to sell the financial assets. Accordingly, the Group has classified these bills receivables as debt investments measured at fair value through other comprehensive income.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking ECL approach.

As illustrated in the table afore, the adoption of the new approach did not result in significant impact on the amounts reported in the opening balance sheet as at 1 January 2018.

(c) Hedge accounting

The Group has applied hedge accounting under IFRS 9 prospectively. At the date of initial application of IFRS 9, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Before the adoption of IFRS 9, the Group designated the change in fair value of certain commodity derivative contracts in its cash flow hedge relationships. In addition, the Group also designated the change in fair value of certain commodity derivative contracts and provisional price arrangement in its fair value hedge relationships. Upon adoption of IFRS 9, the Group continues to designate certain commodity derivative contracts in the cash flow hedge relationships and certain commodity derivative contracts and provisional price arrangement in its fair value hedge relationships. The adoption of the hedge accounting requirements of IFRS 9 has had no significant impact on the Group's financial statements.

Impact on reserves and retained profits attributable to owners of the company

The impact of transition to IFRS 9 on reserves and retained profits attributable to owners of the company is as follows:

	Effect on other reserves	**Effect on retained earnings attributable to owners of the company**
Re-measurement for unlisted equity investments	–	371,956
Re-measurement for bonds investment	806	(806)
Impact on deferred tax	–	(36,478)
Impact on non-controlling interests	–	(44,370)
	806	290,302

IFRS 15 Revenue from Contracts with Customers

IFRS 15 and its amendments replace IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of IFRS 15:

		1 January 2018	
	IAS 18	**Reclassification**	**IFRS 15**
	RMB'000	*RMB'000*	*RMB'000*
Balance sheet (extract)			
Current liabilities			
Other payables and accruals	4,900,538	(1,543,606)	3,356,932
Contract liabilities	–	1,543,606	1,543,606

Before the adoption of IFRS 15, the Group recognised consideration received from customers in advance as advance from customers. Under IFRS 15, the amount is classified as contract liabilities which is included in other payables and accruals. Therefore, upon adoption of IFRS 15, the Group reclassified RMB1,543,606,000 from advance from customers to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under IFRS 15, RMB3,311,246,000 was reclassified from advance from customers to contract liabilities in relation to the consideration received from customers in advance for the sales of goods.

3. OPERATING SEGMENT INFORMATION

For management purpose, the Group has one reportable operating segment: production and sale of copper and other related products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

The Group's operation is mainly located in the Mainland China and Hong Kong. The Group's revenue by geographical location of customers are detailed below:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Mainland China	**187,733,626**	166,893,784
Hong Kong	**12,564,503**	20,634,352
Others	**14,991,737**	17,526,103
	215,289,866	205,054,239
Less: sales related taxes	**(894,557)**	(813,052)
	214,395,309	204,241,187

All material non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in the PRC except for certain investments in Hong Kong, USA, Singapore, Afghanistan, Algeria, Peru and Japan.

Information about major customers

Revenue of approximately RMB7,259,896,000 (2017: RMB7,074,078,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Revenue from contracts with customers:		
Sales of goods		
– copper cathodes	**122,741,975**	121,462,702
– copper rods	**47,315,355**	45,463,902
– copper processing products	**5,136,411**	5,268,557
– gold	**7,259,896**	7,227,737
– silver	**2,057,013**	2,954,148
– sulphuric and sulphuric concentrate	**1,200,901**	1,185,914
– copper concentrate	**19,313,016**	12,653,298
– rare and other non-ferrous metals	**5,240,472**	5,103,533
– others	**4,850,061**	3,542,566
Provision of services	**174,766**	191,882
	215,289,866	205,054,239
Less: sales related taxes	**(894,557)**	(813,052)
	214,395,309	204,241,187

An analysis of other income is as follows:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Interest income	**672,785**	562,899
Dividend income on equity investments	**13,500**	40,006
Government grants recognized	**154,467**	89,669
Compensation income and others	**44,664**	1,541
	885,416	694,115

5. OTHER GAINS AND LOSSES

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Fair value gains/(losses) from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	**640,491**	(920,724)
Ineffectiveness of cash flow hedges	**–**	(11,411)
Fair value gains from foreign currency forward contracts, currency swap and interest rate swaps	**193,983**	143,031
Fair value (losses)/gains from provisional price arrangements	**–**	1,378
Fair value gains/(losses) on other financial assets:		
Listed debentures	**(9,878)**	(3,410)
Debt instruments	**123,626**	(16,299)
Listed equity instruments	**123,334**	–
Non-listed equity instruments	**72,860**	–
Income right attached to a target equity interest	**21,028**	–
Gains/(losses) on other financial assets:		
Listed debentures	**9,376**	9,270
Debt instruments	**2,830**	4,681
Bank financial products	**87,617**	140,723
Assets management products	**52,863**	113,593
Income right attached to a target equity interest	**–**	1,242

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Impairment losses on:		
Assets classified as held for sale	**(95,837)**	(166,584)
Property, plant and equipment	**(5,145)**	(5,914)
Exploration and evaluation assets	**(303,531)**	–
Impairment of trade receivables	**–**	(1,932,577)
Impairment of loans to fellow subsidiaries	**–**	2,957
Impairment of factoring receivables	**–**	(78,784)
Impairment of unlisted equity investments	**–**	(4,414)
Impairment of prepayment, other receivables and other assets	**–**	(147,406)
Losses on disposal of property, plant and equipment	**(72,384)**	(57,926)
Foreign exchange gains, net	**(54,988)**	(151,969)
Others	**(12,950)**	(35,770)
	773,295	(3,116,313)

6. PROFIT BEFORE TAX

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories sold and service provided	**202,554,953**	195,642,937
Depreciation of property, plant and equipment	**1,580,105**	1,713,483
Depreciation of investment properties	**11,357**	10,741
Amortisation of prepaid land lease payments	**29,838**	28,689
Amortisation of intangible assets	**48,036**	52,018
Minimum lease payments under operating leases	**167,947**	159,277
Auditors' remuneration	**9,207**	10,811
Employee benefit expense (including directors' remuneration):		
– Wages and salaries	**3,039,963**	2,327,583
– Pension scheme contributions	**586,755**	509,984
Research and development costs	**206,932**	158,313
Allowance for inventories included in cost of sales	**76,911**	3,379

7. INCOME TAX

The major components of income tax expenses of the Group during the period are as follows:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Current income tax:		
PRC income tax	**829,426**	902,192
HK income tax	**4,549**	3,050
	833,975	905,242
Deferred income tax	**5,564**	240,809
Income tax charge for the year	**839,539**	1,146,051

Hong Kong profits tax on five (2017: five) of the Group's subsidiaries has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The provision for PRC income tax is based on a statutory rate of 25% (2017: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and High Technology Enterprise entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

8. DIVIDENDS

	2018	2017
	RMB'000	*RMB'000*
Proposed final of RMB0.20 per share (2017: RMB0.20 per share)	**692,546**	692,546

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2017: 3,462,729,405) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

The calculations of basic and diluted earnings per share are based on:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**2,415,017**	1,651,113
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**3,462,729,405**	3,462,729,405

10. TRADE AND BILLS RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**10,900,293**	13,391,108
Bills receivable	**3,229,925**	3,200,367
	14,130,218	16,591,475
Less: impairment allowance	**5,172,573**	3,786,855
	8,957,645	12,804,620

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The ageing analysis of trade and bills receivables, net of impairment allowance, is presented based on the goods delivery dates at the end of the reporting period as follows:

	2018	2017
	RMB'000	*RMB'000*
		(Restated)
Within 1 year	**6,783,279**	9,514,147
1–2 years	**1,119,564**	1,893,785
2–3 years	**1,052,571**	813,269
Over 3 years	**2,231**	583,419
	8,957,645	12,804,620

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2018 Assets *RMB'000*	2018 Liabilities *RMB'000*	2017 Assets *RMB'000 (Restated)*	2017 Liabilities *RMB'000 (Restated)*
Assets/(liabilities)				
Commodity derivative contracts	**87,749**	**(47,495)**	99,410	(433,992)
Commodity option contracts	**–**	**(20,966)**	–	–
Provisional price arrangements	**94,236**	**–**	–	(193,352)
Foreign currency forward contracts, interest rate swaps and currency swaps	**81,920**	**(25,797)**	92,360	(96,804)
	263,905	**(94,258)**	191,770	(724,148)

	2018 *RMB'000*	2017 *RMB'000 (Restated)*
Including:		
Derivatives designated as hedging instruments:		
Cash flow hedges		
– Commodity derivative contracts	**3,401**	(5,693)
Fair value hedges		
– Commodity derivative contracts	**–**	(15,476)
– Provisional price arrangement	**94,236**	(193,351)
	97,637	(214,520)
Derivatives not designated as hedging instruments:		
– Commodity derivative contracts	**36,853**	(313,415)
– Commodity option contracts	**(20,966)**	–
– Foreign currency forward contracts, interest rate swaps and currency swaps	**56,123**	(4,443)
	72,010	(317,858)
	169,647	(532,378)

12. TRADE AND BILLS PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**4,306,595**	6,847,564
Bills payables	**1,923,463**	1,033,844
	6,230,058	7,881,408

The ageing analysis of trade and bills payables is presented based on the invoice date at the end of the Reporting Period as follows:

	2018	2017
	RMB'000	*RMB'000*
Within 1 year	**6,211,306**	7,812,787
1–2 years	**8,948**	30,830
2–3 years	**1,441**	5,823
Over 3 years	**8,363**	31,968
	6,230,058	7,881,408

The trade payables are non-interest-bearing and are normally settled on terms of 60 days.

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Long Ziping
Chairman

Nanchang, Jiangxi, the People's Republic of China, 27 March 2019

As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Dong Jiahui and Mr. Yu Tong; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen.